

Name of the listed company: SFCG Co., Ltd

Listing stock exchange: Tokyo Stock Exchange (First Section)

Code Number: 8597

Location of Head Office: Tokyo

(URL <http://www.sfcg-ir.com/jp/>)

Representative: Kenshin Oshima (President)

Contact: Wataru Kikuchi (Director and General Manager of Business Planning Dept.) TEL: +81-3-3270-4177

Date of the Board of Directors Meeting on the Closing of Accounts: Sept 15, 2005

Date of the General Shareholders' Meeting on the Closing of Accounts: Oct. 28, 2005

Interim Dividend: Adopted

Trading Units System: Adopted (1 unit:10 shares)

**1. Performance for the term ended July 31, 2005**

## (1) Operating Results

(Units: Truncated to million yen)

|           | Operating Revenue |          | Operating Profit |          | Recurring Profit |          |
|-----------|-------------------|----------|------------------|----------|------------------|----------|
|           |                   | %        |                  | %        |                  | %        |
| July 2005 | 60,791            | ( 13.8 ) | 17,396           | ( 26.4 ) | 18,060           | ( 25.8 ) |
| July 2004 | 53,412            | ( 11.8 ) | 13,760           | ( 9.5 )  | 14,353           | ( 10.1 ) |

|           | Net Profit |          | Net Profit per Share | Fully Diluted Net Profit per Share | Return on Equity | Recurr.Profit /Total Asset | Recurr.Profit /Net Sales |
|-----------|------------|----------|----------------------|------------------------------------|------------------|----------------------------|--------------------------|
|           |            | %        | Yen                  | Yen                                | %                | %                          | %                        |
| July 2005 | 10,144     | ( 33.0 ) | 898.17               | 844.73                             | 4.3              | 4.2                        | 29.7                     |
| July 2004 | 7,628      | ( 11.7 ) | 674.70               | 669.37                             | 3.3              | 3.7                        | 26.9                     |

(Notes) Average number of shares outstanding during the respective periods Jul. 2005 11,294,474 shares Jul. 2004 11,306,063 shares

Changes in Significant Accounting Policies: None

Percentages for Sales, Operating Profit, Recurring Profit and Net Profit show % change from the prior year.

## (2) Status of Dividend

(Unit: ¥ Million)

|           | Yearly Dividend per Share |       |        | Total Amount of Dividend (year) | Payout Ratio | Dividend per Paid in Capital |
|-----------|---------------------------|-------|--------|---------------------------------|--------------|------------------------------|
|           | Interim                   | Final |        |                                 |              |                              |
|           | Yen                       | Yen   | Yen    |                                 | %            | %                            |
| July 2005 | 200.00                    | -     | 200.00 | 2,252                           | 22.2         | 0.9                          |
| July 2004 | 200.00                    | -     | 200.00 | 2,264                           | 29.7         | 1.0                          |

(Notes) Content of Dividend for the period ending July 2005 Ordinary 100.00Yen Commemoration 100.00Yen

Content of Dividend for the period ending July 2004 Ordinary 100.00Yen Commemoration 100.00Yen

## (3) Financial Position

(Unit: ¥ Million)

|           | Total Assets | Shareholders' Equity | Equity/Assets | Asset per Share |
|-----------|--------------|----------------------|---------------|-----------------|
|           |              |                      | %             | Yen             |
| July 2005 | 442,725      | 238,182              | 53.8          | 21,152.22       |
| July 2004 | 407,396      | 231,740              | 56.9          | 20,465.93       |

(Note) Number of Shares Issued at the end of the respective periods Jul. 2005 11,260,413 Shares Jul. 2004 11,323,240 Shares

Number of Treasury Stocks held at the end of the respective periods Jul. 2005 110,387 Shares Jul. 2004 47,560 Shares

**2. Performance Forecast (Aug. 1, 2005 ~ Jul. 31, 2006)**

(Unit: ¥ Million)

|         | Operating Revenue | Recurring Profit | Net Profit | Dividend per Share (per Year) |        |
|---------|-------------------|------------------|------------|-------------------------------|--------|
|         |                   |                  |            | Interim                       | Final  |
|         |                   |                  |            | Yen                           | Yen    |
| Interim | 33,000            | 10,800           | 6,000      | -                             | -      |
| Final   | 67,000            | 22,000           | 12,200     | -                             | 100.00 |

(Ref.) Forecast net income per share (full year) 1,110.08Yen

\* The above projections are prepared using the information available as at the date of this announcement and the actual performance results may vary depending on various factors in the future.

**Financial Statements**  
**Balance Sheet**

(Unit: ¥ Million)

| Accounts                                   | Term | Term ended<br>Jul. 31, 2004 |              | Term ended<br>Jul. 31, 2005 |              | Incr.<br>(Decr.) |            |
|--|------|-----------------------------|--------------|-----------------------------|--------------|------------------|------------|
|  |      | Amount                      | Percent      | Amount                      | Percent      | Amount           | Inc./Dec%  |
| (Assets)                                   |      |                             | %            |                             | %            |                  | %          |
| <b>I Current Assets</b>                    |      | <b>389,356</b>              | 95.6         | <b>412,347</b>              | 93.1         | <b>22,990</b>    | 5.9        |
| 1. Cash and Cash Equivalent, Bank Deposits |      | 48,689                      |              | 39,809                      |              | (8,880)          |            |
| 2. Promissory Notes - Commercial           |      | 38,771                      |              | 29,643                      |              | (9,128)          |            |
| 3. Business Loan                           |      | 304,764                     |              | 354,308                     |              | 49,544           |            |
| 4. Marketable Securities                   |      | 6,001                       |              | 1                           |              | (5,999)          |            |
| 5. Supplies                                |      | 4                           |              | 4                           |              | 0                |            |
| 6. Prepaid Expenses                        |      | 196                         |              | 254                         |              | 57               |            |
| 7. Deferred Tax Asset                      |      | 2,581                       |              | 2,306                       |              | (275)            |            |
| 8. Short-Term Loan - Related Companies     |      | 14,395                      |              | 13,300                      |              | (1,095)          |            |
| 9. Deferred Revenue                        |      | 1,539                       |              | 1,484                       |              | (54)             |            |
| 10. Deposits                               |      | 8,851                       |              | 9,287                       |              | 435              |            |
| 11. Guarantee Money                        |      | 1,127                       |              | 948                         |              | (179)            |            |
| 12. Others                                 |      | 1,304                       |              | 636                         |              | (667)            |            |
| 13. Allowance for doubtful accounts        |      | (38,869)                    |              | (39,636)                    |              | (766)            |            |
| <b>II Fixed Assets</b>                     |      | <b>18,039</b>               | 4.4          | <b>30,378</b>               | 6.9          | <b>12,338</b>    | 68.4       |
| 1. Property, Plant and Equipment           |      | <b>1,427</b>                | 0.3          | <b>1,052</b>                | 0.3          | <b>(374)</b>     | (26.3)     |
| (1) Buildings and structure                |      | 260                         |              | 265                         |              | 5                |            |
| (2) Structure                              |      | 5                           |              | 4                           |              | 0                |            |
| (3) Vehicles                               |      | 0                           |              | 0                           |              | (0)              |            |
| (4) Furniture and Fixture                  |      | 425                         |              | 304                         |              | (121)            |            |
| (5) Land                                   |      | 735                         |              | 477                         |              | (257)            |            |
| 2. Intangible Assets                       |      | <b>1,980</b>                | 0.5          | <b>1,909</b>                | 0.4          | <b>(71)</b>      | (3.6)      |
| (1) Patent Rights                          |      | 112                         |              | 112                         |              | -                |            |
| (2) Software                               |      | 1,812                       |              | 1,741                       |              | (71)             |            |
| (3) Telephone Rights                       |      | 55                          |              | 55                          |              | -                |            |
| 3. Investment and Other Assets             |      | <b>14,631</b>               | 3.6          | <b>27,416</b>               | 6.2          | <b>12,784</b>    | 87.4       |
| (1) Investment in Securities               |      | 43                          |              | 50                          |              | 7                |            |
| (2) Related Companies' Share               |      | 4,589                       |              | 7,954                       |              | 3,365            |            |
| (3) Other related companies' securities    |      | -                           |              | 3,766                       |              | 3,766            |            |
| (4) Long Term Loan-Related Companies       |      | 1,134                       |              | 8,358                       |              | 7,224            |            |
| (5) Specified Money Trust                  |      | 2,180                       |              | 2,410                       |              | 230              |            |
| (6) Long Term Prepaid Expense              |      | 1,465                       |              | 1,692                       |              | 227              |            |
| (7) Deferred Tax Assets                    |      | 191                         |              | 79                          |              | (111)            |            |
| (8) Key Money and Guarantee Deposit        |      | 795                         |              | 738                         |              | (56)             |            |
| (9) Others                                 |      | 4,293                       |              | 2,430                       |              | (1,862)          |            |
| (10) Allowance for doubtful accounts       |      | (59)                        |              | (65)                        |              | (5)              |            |
| <b>Assets Total</b>                        |      | <b>407,396</b>              | <b>100.0</b> | <b>442,725</b>              | <b>100.0</b> | <b>35,328</b>    | <b>8.7</b> |

| Account   | Term | Term ended<br>Jul. 31, 2004 |         | Term ended<br>Jul. 31, 2005 |         | Incr.<br>(Decr.) |           |
|---|------|-----------------------------|---------|-----------------------------|---------|------------------|-----------|
|   |      | Amount                      | Percent | Amount                      | Percent | Amount           | Inc./Dec% |
| (Liabilities)                                       |      |                             | %       |                             | %       |                  | %         |
| I Current Liabilities                               |      | <b>20,713</b>               | 5.1     | <b>29,037</b>               | 6.6     | <b>8,323</b>     | 40.2      |
| 1. Short Term Borrowings                            |      | 6,000                       |         | 6,400                       |         | 400              |           |
| 2. Long Term Borrowings to be settled within 1 year |      | 7,373                       |         | 13,041                      |         | 5,668            |           |
| 3. Misc. Account Payable                            |      | 33                          |         | 120                         |         | 86               |           |
| 4. Accrued Income Tax and Others                    |      | 3,529                       |         | 5,625                       |         | 2,095            |           |
| 5. Accrued Expenses                                 |      | 1,497                       |         | 1,728                       |         | 230              |           |
| 6. Deposits Received                                |      | 103                         |         | 35                          |         | (67)             |           |
| 7. Deferred Revenue                                 |      | 1,888                       |         | 1,810                       |         | (78)             |           |
| 8. Reserve for Bonus                                |      | 19                          |         | -                           |         | (19)             |           |
| 9. Others   |      | 268                         |         | 275                         |         | 7                |           |
| II Long-term Liabilities                            |      | <b>154,942</b>              | 38.0    | <b>175,505</b>              | 39.6    | <b>20,562</b>    | 13.3      |
| 1. Bonds  |      | 20,000                      |         | 20,000                      |         | -                |           |
| 2. Long-term Borrowings                             |      | 134,439                     |         | 155,053                     |         | 20,613           |           |
| 3. Reserve for Retirement Allowance                 |      | 74                          |         | 55                          |         | (19)             |           |
| 4. Other Long-Term Liabilities                      |      | 428                         |         | 396                         |         | (31)             |           |
| Liabilities Total                                   |      | 175,656                     | 43.1    | 204,543                     | 46.2    | 28,886           | 16.4      |
| (Shareholders' Equity)                              |      |                             |         |                             |         |                  |           |
| I Common Stock                                      |      | <b>79,149</b>               | 19.4    | <b>79,149</b>               | 17.9    | -                | -         |
| II Capital Surplus                                  |      | <b>79,035</b>               | 19.4    | <b>79,035</b>               | 17.9    | -                | -         |
| 1. Capital Reserve                                  |      | 78,969                      |         | 78,969                      |         | -                |           |
| 2. Gain from Sales of Treasury Stock                |      | 65                          |         | 65                          |         | -                |           |
| III Earned Surplus                                  |      | <b>74,224</b>               | 18.2    | <b>82,104</b>               | 18.5    | <b>7,879</b>     | 10.6      |
| 1. Profit Reserve                                   |      | 1,318                       |         | 1,318                       |         | -                |           |
| 2. Voluntary Reserve                                |      | 62,800                      |         | 68,800                      |         | 6,000            |           |
| 3. Unappropriated Earned Surplus                    |      | 10,106                      |         | 11,985                      |         | 1,879            |           |
| IV Unrealized Holding Gains or Losses on Securities |      | <b>8</b>                    | 0.0     | <b>167</b>                  | 0.0     | <b>158</b>       | 1,830.8   |
| V Treasury Stock                                    |      | <b>(677)</b>                | (0.1)   | <b>(2,273)</b>              | (0.5)   | <b>(1,596)</b>   | 235.8     |
| Shareholders' Equity Total                          |      | 231,740                     | 56.9    | 238,182                     | 53.8    | 6,442            | 2.8       |
| Liabilities and Shareholders' Equity Total          |      | 407,396                     | 100.0   | 442,725                     | 100.0   | 35,328           | 8.7       |

## Statement of Income

(Unit: ¥ Million)

| Account   | Term | Previous Term<br>Aug.1, 2003 to<br>Jul. 31, 2004 |               | Reporting Term<br>Aug.1, 2004 to<br>Jul. 31, 2005 |             | Incr. (Decr.) |                 |
|---|------|--|---------------|---|-------------|---------------|-----------------|
|   |      | Amount   | Percent       | Amount  | Percent     | Amount        | Inc./Dec%       |
|   |      |  | %             |   | %           |               | %               |
| I Operating Revenue   |      | <b>53,412</b>                                    | 100.0         | <b>60,791</b>                                     | 100.0       | <b>7,379</b>  | 13.8            |
| 1. Discount Fee Received  |      | 4,391  |               | 4,016   |             | (375)         |                 |
| 2. Interest Received on loan  |      | 47,241   |               | 55,451  |             | 8,209         |                 |
| 3. Comission Received   |      | 1,778  |               | 1,316   |             | (461)         |                 |
| 4. Other Rev. from Financial Operation  |      | 0  |               | 7   |             | 6             |                 |
| II Operating Expenses   |      | <b>4,090</b>                                     | 7.7           | <b>5,404</b>                                      | 8.9         | <b>1,314</b>  | 32.1            |
| 1. Interest Expense   |      | 3,046  |               | 3,708   |             | 661           |                 |
| 2. Other Operating Expenses   |      | 1,043  |               | 1,695   |             | 652           |                 |
| Gross Profit  |      | 49,322   | 92.3          | 55,387  | 91.1        | 6,065         | 12.3            |
| III Selling and General Administrative Expense  |      | 35,561   | 66.6          | 37,991  | 62.5        | 2,429         | 6.8             |
| Operating Profit  |      | 13,760   | 25.7          | 17,396  | 28.6        | 3,635         | 26.4            |
| IV Other Income   |      | <b>668</b>                                       | 1.3           | <b>719</b>  | 1.2         | <b>50</b>     | 7.6             |
| 1. Interest Received  |      | 561  |               | 566   |             | 4             |                 |
| 2. Dividend Received  |      | 0  |               | 50  |             | 50            |                 |
| 3. Gain from Sales of Securities  |      | -  |               | 4   |             | 4             |                 |
| 4. Others   |      | 107  |               | 98  |             | (8)           |                 |
| V Other Expense   |      | <b>75</b>  | 0.1           | <b>55</b>   | 0.1         | <b>(20)</b>   | (26.6)          |
| 1. New Bond Issue Expense   |      | 35   |               | -   |             | (35)          |                 |
| 2. Others   |      | 40   |               | 55  |             | 15            |                 |
| Recurring Profit or Loss  |      | 14,353   | 26.9          | 18,060  | 29.7        | 3,706         | 25.8            |
| VI Special Profit   |      | <b>267</b>                                       | 0.4           | <b>300</b>  | 0.5         | <b>32</b>     | 12.3            |
| 1. Prior Year's Adjustments   |      | 265  |               | 298   |             | 33            |                 |
| 2. Gain on Sales of Fixed Assets.   |      | 1  |               | 1   |             | 0             |                 |
| VII Special Loss  |      | <b>929</b>                                       | 1.7           | <b>84</b>   | 0.1         | <b>(844)</b>  | (90.9)          |
| 1. Loss from Sales of Fixed Assets.   |      | 135  |               | 84  |             | (51)          |                 |
| 2. Loss from Contract Cancellation due to<br>Change of Debt Liquidation Program       |      | 793  |               | -   |             | (793)         |                 |
| Income before Taxes,  |      | 13,691   | 25.6          | 18,276  | 30.1        | 4,584         | 33.5            |
| Income Taxes, Inhabitant Taxes, Enterprise Tax<br>Deferred Income Taxes, & Other Adj. |      | 6,111<br>(48)                                    | 11.4<br>(0.1) | 7,852<br>279                                      | 12.9<br>0.5 | 1,741<br>327  | 28.5<br>(681.3) |
| Net Profit  |      | 7,628  | 14.3          | 10,144  | 16.7        | 2,516         | 33.0            |
| Earned Surplus Carried Forward  |      | 2,477  |               | 1,841   |             |               |                 |
| Unappropriated Earned Surplus for this term   |      | 10,106   |               | 11,985  |             |               |                 |

## Earned Surplus Appropriation Schedule

(Unit: ¥ Million)

| Account                                       | Term | Previous Term                 | Reporting Term                | Incr. (Decr.) |
|---|------|-------------------------------|-------------------------------|---------------|
| I Unappropriated Earned Surpuls for this term |      | 10,106                        | 11,985                        | 1,879         |
| II Earned Surplus Appropriation               |      |                               |                               |               |
| Dividend                                      |      | 2,264                         | 2,252                         | (12)          |
|   |      | (Ordinary Dividend per Share) | (Ordinary Dividend per Share) |               |
|   |      | 100 Yen                       | 100 Yen                       |               |
|   |      | (Commemoration Div.per Share) | (Commemoration Div.per Share) |               |
|   |      | 100 Yen                       | 100 Yen                       |               |
| Addition to Voluntary Reserve                 |      | 6,000                         | 8,000                         | 2,000         |
| III Earned Surplus Carried Forward            |      | 1,841                         | 1,733                         | (108)         |

(Note) Dividend of Treasury Stocks is not included.